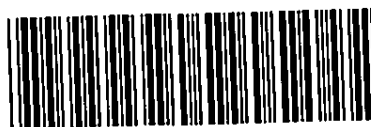


Miller International Loss Adjusters Limited
Directors' Report & Financial Statements
31 December 2008
Registered Number 4473541

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Miller International Loss Adjusters Limited

Directors' report and financial statements

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Miller International Loss Adjusters Limited

Directors' report

The directors present their report and the unaudited financial statements of the Company for the year ended 31 December 2008.

Principal activity

The principal activity of the Company was the business of insurance loss adjusting. The business was carried on in London and overseas through a branch in Dubai and subsidiaries in Hong Kong and Singapore until the following transactions took place.

On 1 May 2008, the Company transferred this business and the employees of its London operation to OSG Outsource Services Group Ltd ("OSG"), an Irish company. OSG purchased the London current work in progress and fixed assets and took over the office and future costs as their London branch. The Company retained its current debtors and liabilities and continues to receive income from franchise fees.

Also in May 2008, the business and majority of employees of Miller International Loss Adjusters (Hong Kong) Ltd were transferred to Cunningham Lindsey International Ltd ("CL"). CL purchased the current work in progress and certain fixed assets. The Hong Kong subsidiary has retained its current debtors and liabilities but ceased trading.

On 26 July 2008, the Company sold the fixed and current assets of its Dubai Branch, valued at 16 April 2008, to a third party. The Company no longer has a branch in Dubai.

On 15 August 2008, the Company sold all its shares in Miller International Loss Adjusters (S) Pte Ltd to a local management buyout.

The Company has a 50% shareholding in a Japanese loss adjusting company, Kyoritsu Miller International Adjusting Co Ltd as at 31 December 2008. This shareholding was sold on 30 March 2009 for the original cost of the shares.

Review of the business

The loss on ordinary activities before taxation amounted to £123,778 (2007 - £280,643). The principal trade of the Company and its subsidiary has ceased but the Company continues to receive income from franchise fees. The accounts have, therefore been prepared on a going concern basis.

Dividend

The directors do not recommend the payment of a dividend on the equity shares.

Directors

The directors set out in the table below have held office to the date of this report unless stated otherwise:

Ian Porton	(Chairman)
Michael Littleboy	(Managing Director)
Russell Henderson	(resigned 20 February 2008)
Mark Savage	(resigned 7 February 2008)
Angus Bradley	(resigned 28 March 2008)
Malcolm Hughes	(resigned 20 December 2009)

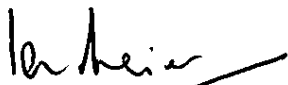
Miller International Loss Adjusters Ltd Founder shares of 0.01p held at 31 December 2008.

	No.
Malcolm Hughes	253,500
Ian Porton	120,250
Michael Littleboy	47,450

The directors do not hold any other classes of shares.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'I. Meier', with a long horizontal stroke extending to the right.

I. Meier

Secretary

19 January 2010

Registered office, 16 St Clare Street, London EC3N 1LQ

Miller International Loss Adjusters Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Miller International Loss Adjusters Limited

Company Profit and Loss Account

For the year ended 31 December 2008

	Note	2008 £	2007 £
Turnover	2	368,495	1,190,985
Cost of sales		<u>(31,377)</u>	<u>(111,733)</u>
Gross Profit		337,118	1,079,252
Administrative expenses		<u>(327,546)</u>	<u>(1,318,611)</u>
Operating Profit/(loss)	3	9,572	(239,359)
Provision on investment in subsidiary	9	(88,439)	-
		<hr/>	<hr/>
Loss on ordinary activities before interest and taxation		(78,867)	(239,359)
Net interest payable	6	(33,104)	(41,284)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(111,971)	(280,643)
Taxation	7	(11,807)	-
		<hr/>	<hr/>
Loss on ordinary activities after taxation		(123,778)	(280,643)
Retained loss for the financial period	15	<u>(123,778)</u>	<u>(280,643)</u>

Statement of total recognised gains and losses

For the year ended 31 December 2008

Loss for the year		(123,778)	(280,643)
Foreign exchange translation differences taken to reserves	15	(2,426)	1,386
		<hr/>	<hr/>
Total losses and gains for the period		<u>(126,204)</u>	<u>(279,257)</u>

Miller International Loss Adjusters Limited
Company Balance Sheet
At 31 December 2008

	Note	2008 £	2007 £
Fixed assets			
Tangible fixed assets	8	-	1,191
Investments	9	25,520	113,959
		<u>25,520</u>	<u>115,150</u>
Current assets			
Work in progress		-	210,338
Debtors	11	303,880	790,776
Cash and short term deposits	13	23,259	23,989
		<u>327,139</u>	<u>1,025,103</u>
Creditors: amounts falling due within one year			
Borrowings	13	-	(540,676)
Creditors	12	(325,475)	(421,189)
		<u>(325,475)</u>	<u>(961,865)</u>
Net current assets		<u>1,664</u>	<u>63,238</u>
Total assets less current liabilities		<u>27,184</u>	<u>178,388</u>
Net assets		<u>27,184</u>	<u>178,388</u>
Capital and reserves			
Called up share capital	14	100	100
Capital redemption reserve fund	15	330,000	330,000
Profit and loss account	15	(181,781)	(55,577)
Shares held by employee benefit trust	15	(121,135)	(96,135)
		<u></u>	<u></u>
Shareholders' funds: Equity	16	<u>27,184</u>	<u>178,388</u>

For the years ended 31 December 2008 and 31 December 2007, the company was entitled to exemption from audit under s249A(1) of the Companies Act 1985. The members have not required the company to obtain an audit of its accounts for the year under s249B(2). The directors acknowledge their responsibility for ensuring that the company keeps proper accounting records in accordance with s221 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

Approved by the Board of Directors and signed on its behalf on 19 January 2010.


 Ian Horton
 Director

Miller International Loss Adjusters Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements include the London operations and Dubai branch of Miller International Loss Adjusters Ltd and have been prepared in accordance with applicable accounting standards and in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and within the FRSE (effective January 2007).

The accounts have been prepared on a going concern basis as the Company continues to receive income, (see below). The assets, including investments in and amounts due from subsidiaries have been valued at their actual or estimated realisable values.

On 1 May 2008, the Company transferred its insurance loss adjusting business and the employees of its London operation to OSG Outsource Services Group Ltd ("OSG"), an Irish company. OSG purchased the London current work in progress and fixed assets and took over the office and future costs as their London branch. The Company retained its current debtors and liabilities and continues to receive income from franchise fees.

On 26 July 2008, the Company sold the fixed and current assets of its Dubai Branch, valued at 16 April 2008, to a third party. The Company no longer has a branch in Dubai.

In May 2008, the business and majority of employees of Miller International Loss Adjusters (Hong Kong) Ltd were transferred to Cunningham Lindsey International Ltd ("CL"). CL purchased the current work in progress and certain fixed assets. The Hong Kong subsidiary has retained its current debtors and liabilities but ceased trading.

On 15 August 2008, the Company sold all its shares in Miller International Loss Adjusters (S) Pte Ltd to a local management buyout.

Turnover

Turnover represents amounts invoiced by the Company in respect of services rendered and disbursements recoverable, together with the change in work in progress during the period, principally attributable to insurance loss adjusting services.

Work in progress

Work in progress was valued in the accounts on the basis of 95% of the costed time spent on un-invoiced work and 95% of the cost of disbursements incurred or the value transferred in April and May 2008.

Depreciation

Depreciation was provided at the following annual rates to write off the assets over their anticipated useful lives:

Short leasehold premises	- 20% on the original cost
Office furniture and equipment	- 20% on the original cost
Computers	- 30% on the original cost

All fixed assets have been disposed off in 2008.

Miller International Loss Adjusters Limited

Notes

(forming part of the financial statements)

Leases

Where the Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a "finance lease". The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. All other leases are accounted for as "operating leases" and the rentals are charged to the profit and loss account as incurred. There were no operating lease commitments at 31 December 2008.

Deferred taxation

Deferred taxation is provided for at anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods that differ from those in which they are included in the financial statements.

Pension costs

All pensions schemes are money purchase schemes and contributions are charged to the profit and loss account in the period in which they are due.

Foreign currencies

The Company's transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction and monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at the balance sheet date. All differences are taken to the profit and loss account.

The accounts of the overseas branch are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the retranslation of opening net assets is taken to reserves. All other translation differences are taken to the profit and loss account.

2 Turnover

The principal activity of the Company is loss adjusting and the value of fees earned from claims in the UK and internationally are as follows:

	2008	2007
	£	£
United Kingdom	198,705	669,087
International	169,790	521,898
	<u>368,495</u>	<u>1,190,985</u>

Miller International Loss Adjusters Limited

Notes

(forming part of the financial statements)

	2008	2007
	£	£
3 Operating profit		
The operating profit is stated after charging/(crediting):		
Depreciation and other amounts written off tangible fixed assets:		
Owned:	4,394	32,708
Foreign exchange differences	(538)	9,801
Operating lease charges	16,206	72,370
4 Remuneration of directors		
Directors' emoluments	120,228	360,606
Directors' pension contributions	6,142	40,399
	<u>126,370</u>	<u>401,005</u>
The aggregate emoluments of the highest paid director in the company were £47,795 (2007 - £108,186). Pension contributions paid in respect of the highest paid director in the company were £4,375 (2007 - £13,125).		
Retirement benefits are accruing to the following number of directors under:	No	No
Money purchase schemes	<u>2</u>	<u>3</u>
5 Staff number and costs		
The average number of persons employed during the year were:	No	No
Directors	1	3
Professional	1	4
Secretarial and administration	1	5
	<u>3</u>	<u>12</u>
The aggregate payroll costs of these persons were:	£	£
Wages and salaries	166,981	774,769
Social security costs	16,139	84,249
Other pension costs	12,610	71,776
	<u>195,730</u>	<u>930,794</u>

Miller International Loss Adjusters Limited

Notes

(forming part of the financial statements)

	2008 £	2007 £
6 Net interest payable		
Interest payable and similar charges:		
On bank loans, overdrafts and other loans within 5 years	34,144	41,440
Interest receivable and similar income:		
On bank deposits	(1,040)	(156)
	<u>33,104</u>	<u>41,284</u>
7 Taxation on loss on ordinary activities		
UK Corporation Tax, based on profits included in the loss on ordinary activities of 21%	11,807	-
	<u>11,807</u>	<u>-</u>

8 Tangible fixed assets

	Short Leasehold Premises £	Office Furniture & Equipment £	Computers £	Total £
Cost				
At 31 December 2007	21,005	28,015	93,357	142,377
Additions	5,636	1,193	2,026	8,855
Disposals	(26,641)	(29,208)	(95,383)	(151,232)
At 31 December 2008	-	-	-	-
Depreciation				
At 31 December 2007	(21,005)	(27,547)	(92,634)	(141,186)
Disposals	22,593	28,196	94,791	145,580
Provided for period	(1,588)	(649)	(2,157)	(4,394)
At 31 December 2008	-	-	-	-
Net book amount				
At 31 December 2008	-	-	-	-
At 31 December 2007	-	468	723	1,191

Miller International Loss Adjusters Limited

Notes

(forming part of the financial statements)

9 Investments	£
Investment in subsidiary undertakings:	
Cost	
At 31 December 2007 and 31 December 2008	154,642
Provision	
At 31 December 2007	(40,683)
Provided for period	(88,439)
At 31 December 2008	(129,122)
Net book amount	
At 31 December 2008	25,520
At 31 December 2007	113,959

10 Subsidiaries	% of ordinary shares held
Miller International Loss Adjusters (Hong Kong) Limited	Incorporated in Hong Kong 100%
Kyoritsu Miller International Adjusting Co Limited	Incorporated in Japan 50%

The above subsidiaries were involved in the business of loss adjusting. The Hong Kong subsidiary ceased trading in 2008 and the investment in Kyoritsu Miller International Adjusting Co Limited was sold on 30 March 2009 at its cost of £25,520.

11 Debtors	2008	2007
	£	£
Amounts falling due within one year:		
Trade debtors	161,862	440,461
Other debtors	20,829	22,499
Prepayments and accrued income	-	49,768
Amounts owed by group undertakings	121,189	278,048
	<u>303,880</u>	<u>790,776</u>

Miller International Loss Adjusters Limited

Notes

(forming part of the financial statements)

12 Creditors: amounts falling due within one year

	2008	2007
	£	£
Trade creditors	22,214	158,073
Other creditors	123,031	216,553
Accruals	168,423	46,563
Corporation Tax	11,807	-
	<hr/>	<hr/>
	325,475	421,189
	<hr/>	<hr/>

13 Net borrowings

	2008	2007
	£	£
Amounts falling due within one year:		
Bank loans and overdrafts (secured)	-	(540,676)
Cash and short term deposits	23,259	23,989
	<hr/>	<hr/>
Net cash and short term (borrowings)/ deposits	23,259	(516,687)
	<hr/>	<hr/>

The bank loans and overdrafts were secured by way of a fixed and floating charge over the assets of the Company. The bank loan was repaid during the year.

Miller International Loss Adjusters Limited

Notes

(forming part of the financial statements)

14 Called up share capital

	£
Authorised	
<i>Equity</i>	
1,000,000 Founder shares of 0.01p each	100
50,000 Ordinary shares of 0.01p each	5
5,000 A Ordinary shares of 1p each	50
	<u>155</u>
<i>Non Equity</i>	
350,000 No 1 Preference shares of £1 each	350,000
350,000 No 2 Preference shares of £1 each	350,000
	<u>700,000</u>
Allotted, called up and fully paid	
<i>Equity</i>	
611,000 Founder shares of 0.01p each	61
39,000 Ordinary shares of 0.01p each	4
3,500 A Ordinary shares of 1p each	35
	<u>100</u>

The A Ordinary shares are convertible at any time into deferred shares by payment to the holders of such shares of a conversion premium of £25,000 but until such time are entitled to vote and participate pari passu with the Founder shares and Ordinary shares.

15 Reserves

	Capital Redemption Reserve Fund £	Profit & Loss Account £	Share held by EBT £	Total £
At 31 December 2007	330,000	(55,577)	(96,135)	178,288
Retained loss for year	-	(123,778)	-	(123,778)
Foreign exchange translation differences	-	(2,426)	-	(2,426)
Transfer of shares held by EBT	-	-	(25,000)	(25,000)
At 31 December 2008	<u>330,000</u>	<u>(181,781)</u>	<u>(121,135)</u>	<u>27,084</u>

The loans made to the Miller International Loss Adjusters Employee Benefit Trust 2003 ("EBT") to acquire shares are detailed in Note 18.

Miller International Loss Adjusters Limited

Notes

(forming part of the financial statements)

16 Reconciliation of movements in shareholder's funds

	£
Opening shareholders' funds	178,388
Loss for year	(123,778)
Foreign exchange transaction differences	(2,426)
Transfer of shares held by EBT	(25,000)
Decrease in shareholders' funds	(151,204)
Closing shareholders' funds	27,184

17 Capital commitments and contingent liabilities

In respect of the Company there were no material capital commitments at 31 December 2008 (£nil – 31 December 2007). There were no contingent liabilities at 31 December 2008. (As at 31 December 2007, there was a contingent liability in respect of the excess payable to the insurers in respect of two possible claims including expenses, total £80,000, against a previous subsidiary, Miller International Loss Adjusters (S) Pte Ltd covered under the group professional indemnity insurance policy.)

18 Employee benefit trust

The Miller International Loss Adjusters Employee Benefit Trust 2003 ("EBT") was formed on 24 September 2003 between the Company and the Trustees, Laytons Trustee Company Ltd to provide incentives to employees through the holding of shares in the company and thereby enhance profitability of the Company's trade. The Company will transfer monies to the EBT from time to time, which will be invested by the EBT pending acquisition of shares for employees.

In 2007, the Company lent £53,250 to the EBT to acquire 47,450 Founder Shares of 0.01p and 39,000 Ordinary shares of 0.01p from employees. In 2008, the Company lent £25,000 to the EBT to acquire 47,450 founder shares of 0.01p from an employee. The total reductions in shareholders' funds as a result of the consolidation of the EBT on 31 December 2008 was £121,135 (31 December 2007 - £96,135) (Note 15 – see also Note 19).

19 Post balance sheet events

On 30 March 2009, the Company sold its 50% shareholding in a Japanese loss adjusting company, Kyoritsu Miller International Adjusting Co Ltd for the original cost of purchase.

On 15 January 2010 the Company made a capital contribution of £123,635 to the Trustees of the Miller International Loss Adjusters Employee Benefit Trust 2003 ("EBT") and the Trustees of the EBT repaid the total loan payable by the Company at this date, £123,635.